



Understanding Your Benefits

UFM Presents New Challenges for Thousands of MWR Employees

By Tim Hipps

Morale, Welfare and Recreation appropriated fund employees soon will have an opportunity to convert to nonappropriated fund and exercise a one-time option of selecting either the APF or NAF retirement program.

The Army will begin implementing Uniform Funding and Management in the continental United States, Alaska and Hawaii on Oct. 1.

UFM is the merging of appropriated funds and nonappropriated funds for the purpose of providing MWR support services under a single set of rules and procedures. The initiative is designed to make it easier to obtain goods and services for MWR, streamline financial reporting and management, and facilitate the management of employees tasked to complete the Army's mission of serving those who serve.

The enabling legislation is included in Section 323 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, which states: "Under regulations prescribed by Secretary of Defense, funds appropriated to DoD and available for MWR may be treated as NAF and expended in accordance with laws applicable to NAF. APF shall be considered NAF for all purposes and remain available until expended."

UFM is available only if an MWR program is authorized to receive APF support – only in amounts and for the purpose the program is authorized to receive the funds.

UFM pilot sites were conducted in CONUS during fiscal year 2005. Pilot sites in Korea; Okinawa, Japan; and the 100th Area Support Group in Grafenwoehr, Germany, will begin Oct. 1.

"I see the UFM initiative as a major step to streamline the MWR personnel manage-

ment system and eliminate an unwieldy, difficult and redundant personnel system that, by its nature, treats people doing the same work differently," CFSC Chief Operating Officer Pete Isaacs wrote in the UFM Employee Information Guide, which can be found on the Internet at www.ArmyUFM.com.

Under UFM, one of the features is the allowance of an in-place conversion by the incumbent. The benefits and retirement programs will remain the same for current NAF employees. APF employees, however, may have a one-time option to switch to the NAF retirement program when they convert to NAF provided they are eligible.

There's no time limit on making a decision and nobody will be forced to convert to NAF unless he or she voluntarily agrees to do so, but the MWR workforce eventually will be all NAF, said Bonnita Gaddis, human resources career division chief at the U.S. Army Community and Family Support Center.

"As APF vacancies occur, they will become NAF," she said. "If APF employees want to change jobs and they want to continue working for Army MWR, they are going to have to become a NAF employee. So how does that affect an APF employee? It means that future advancement will be in the NAF employment system – because there won't be any Army APF MWR jobs available for advancement.

"The people this is going to affect are about 4,500 APF employees working in the MWR career field," Gaddis continued. "Each individual will have to assess his or her own situation before making a decision to convert to NAF. Converting to NAF is nothing new. People have been able to move

back and forth between APF and NAF under portability since January 1987. The thing I would stress the most is that every choice is individual."

MWR human resource officials are attempting to make the transition as smooth as possible.

"It would of course be naive to think that all of the current APF MWR workforce might not have concerns and reservations regarding the impact of NAF conversion," Isaacs wrote in his introductory letter to employees in the UFM Employee Information Guide. "For that reason, we have worked hard to identify barriers to the smooth transition to UFM, and have prepared this special information guide to inform you about UFM."

Additional information can be found in the Implementation Guidance for Human Resources, the Army Pilot Site Guidance on Uniform Funding and Management, available at www.ArmyUFM.com.

"Let me make it very clear, in no case will anyone be forced to convert to NAF unless he or she voluntarily agrees to do so," Isaacs wrote. "This information guide contains various summaries of benefits and other conditions affecting employees under UFM implementation. As you work through the information available to you, and consider your personal circumstances, some of you will conclude that conversion cannot happen soon enough, and others may conclude that conversion may not be in your best interest.

"Whichever decision you make, we will support it 100 percent," he continued. "I strongly urge all of you to take full advantage of the information available to you in this guide, from your supervisory chain,

and available Human Resource Office and Civilian Personnel Advisory Center resources. I also extend my personal pledge to you that we will vigorously pursue resolution of any unforeseen issues that may arise as we move down the UFM implementation path.”

UFM training has been conducted at pilot sites and six region sites and personnel issues have been addressed, said Gaddis, who addressed concerns APF employees may have about switching to NAF:

- APF employees can retain the value of retirement benefits earned through their accumulative service.
- While APF employees can no longer participate in the Federal Employee Health Benefit Plan, they will be able to participate in the equally beneficial DoD NAF Health Benefit Plan.
- The NAF employment system contains significantly greater flexibility than does the APF employment system to reward employees financially based on their contribution

to mission and accomplishment.

- Employees working in the same employment system and applying a uniform set of funding rules and practices will be better able to enhance the delivery of the MWR programs and services for Soldiers and families.

- An all-NAF workforce will facilitate career progression and upward mobility through the forthcoming MWR Leader Development Program.

Gaddis reiterated, however, that the uniqueness of each employee’s scenario will directly affect his or her decision.

“If you’re an APF employee, you have a lot to think about,” she said. “You have to think about how long you’ve already been an APF employee. What is your retirement plan going to look like? Are you going to work after you retire?”

“Another important thing is that under portability benefits, APF and NAF can port between the two systems; however, retirement benefits are a one-time election.”

A Portability Decision Guide is being published to assist employees in making the decision about portability of benefits. It is also available online at www.naf-benefits.com.

“We want to make sure employees understand their options and make decisions that are right for them,” Gaddis said. “APF employees should attend the Town Hall meetings that are going to be held at each installation to gather information about UFM.”

MWR human resources officials encourage employees to schedule a one-on-one appointment with someone in their civilian personnel advisory center.

“Those are the people who should be able to answer any and all of their questions regarding portability to NAF,” said Gaddis, who estimates that it will take 10 years for MWR to become an all NAF workforce.

“Some APF employees absolutely will not convert,” she said. “However, UFM is here to stay.” ■

APF vs. NAF: Employee Benefits Chief Looks At Misperceptions

By Tim Hipps

Government employees have many opinions about the appropriated fund and non-appropriated fund systems.

There are many misperceptions, said Ron Courtney, chief of the NAF Employee Benefits at the U.S. Army Community and Family Support Center. One of the most prevalent is that APF Employees have a better Benefit package than NAF Employees.

“I think that misperception is fed by two factors, one being the fact that the NAF personnel system has business-based actions, therefore a business decision could result in you losing your job,” he said. “People perceive on the GS side that that won’t occur. They have a riff system; therefore they see the GS position as safer. They feel like they’re protected from their job being eliminated.

“The other factor that feeds the perception of GS being better is the way the pay systems work. [NAF] has a performance-based pay system so you essentially get what you earn. Your pay increases, other than cost-of-living adjustments, are based on your performance. The people who perform at an outstanding level are going to get raises which are higher than the people who are rated as satisfactory.

“In the GS system they use step increases, which are established in their pay system so every year or two or three you get an automatic step increase.”

Those factors, Courtney said, give some people the impression

that the GS side is better – or if not better, at least safer.

“Clearly the benefits are better on the NAF side, but some people will go for security as a tradeoff and say: ‘At least I know I have a job; they can’t get rid of me,’” Courtney said. “In all my 35 years of doing this stuff, what I see is that’s more perception than reality because I have seen a lot of riffs and a lot of business-based actions.

“I don’t see people harmed by business-based actions,” he added about the NAF system. “We have a number of safety nets: discontinued service retirement, which gives them a better retirement with less time and less reduction; a very good severance; and when you do a business-based action it only affects a very isolated number of people, sometimes only one person.”

He said the GS system handles things differently, though.

“When you start downsizing on the GS side you get into that riff procedure with bumping rights,” Courtney said. “In my opinion downsizing due to riff is more disruptive and harmful to the workforce than those isolated business-based actions that we do on the NAF side.”

Courtney said he spends countless hours trying to convince employees that the NAF benefits are better.

“The misperception about job security and pay raises seems to spill over into the benefits side and I seem to always be fighting an uphill battle,” he said. ■